



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 2, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2284

Mr. Larry Allred
Wembco, Inc.
3996 West 1500 North
Vernal, Utah 84078

Re: Potential Non-Compliance, Wembco, Inc., Larry Allred Site, S/047/068, Uintah County, Utah

Dear Mr. Allred:

On April 11, 2003, Doug Jensen and Paul Baker inspected your mine site near Maeser, Utah. A copy of the inspection report is enclosed together with a map created using a global positioning system (GPS) unit. Information from the map indicates all disturbance associated with the mine and nearby processing facilities is 10.36 acres which exceeds the five-acre limitation for a small mine; however, because there is some question about how much of your disturbance should be regulated under the Minerals Regulatory Program, we are not issuing a Notice of Noncompliance at this time.

"Mining operations" are defined in the R647 administrative rules as:

... those activities conducted on the surface of the land for the exploration for, development of, or extraction of a mineral deposit, including, but not limited to, surface mining; on-site transportation, concentrating, milling, evaporation, and other primary processing.

As you can see, this definition does not restrict the definition to mining *per se*. It also includes some processing, storage areas, and transportation facilities.

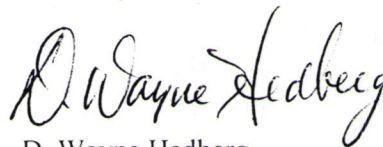
Before making a final determination about how much of your site falls within this definition, we would like to meet with you, discuss what activities are happening in which locations, and perform additional GPS measurements of the various areas. With this information, we hope to reach a conclusion about how much of the site needs to be regulated and whether it should continue to be classified as a small or a large mine.

Paul Baker of the Division staff will be contacting you within the next few days to arrange a convenient meeting time and place. Your cooperation in providing as much information as possible in this regard would be appreciated.

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Larry Allred
S/047/068
May 2, 2003

Please call me at 801-538-5286, or Paul Baker at 801-538-5261, if you have any questions about this letter or the Minerals Regulatory Program requirements.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: Inspection report with photos and map
cc: Mary Ann Wright, DOGM
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